



# DEPARTMENT OF PLANNING

## Mount Vernon Master Plan Area

### *Retail Market Study*

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## INTRODUCTION

As part of the Mount Vernon Master Plan, this market study analyzes the existing retail market, and makes recommendations for potential growth or enhancement of the retail environment in the planning study area.

The study area includes an area popularly known as Mount Vernon, but according to the City of Baltimore’s neighborhood statistical areas, it includes both the Mount Vernon and Midtown-Belvedere neighborhoods. The Mount Vernon Master Plan study area (referred to throughout this report as Mount Vernon) is bounded on the south by Franklin Street, to the north and east by I-83, and to the west by Howard Street.

The Mount Vernon area is a unique urban neighborhood with a wealth of cultural, educational and commercial anchors and amenities. Located immediately north of Baltimore's traditional central business district, and just ten blocks north of the Inner Harbor, Mount Vernon is described by Live Baltimore as "artsy, hip, historic, quirky, and urban." As such, it is a neighborhood that attracts a diverse mix of residents and visitors, and is well positioned to attract and retain college students, young professionals and empty nesters who have shown increasing interest in both living and working in urban, walkable neighborhoods that can offer diversity, regional access, transportation options beyond the automobile, and a high quality of life.



### Figure 1. Study Area

As a Local and National Historic District, Mount Vernon has retained much of its 19<sup>th</sup> and early 20<sup>th</sup> Century historic architecture and the original street pattern that centers on Mount Vernon Square and the Washington Monument. Many of the neighborhood's historic structures have been adapted to continue to meet the needs of the market and have contributed to the lively mix of residential, restaurant, office, retail and institutional uses.

Charles Street has served as the center of the community's social life, with a wide variety of restaurants and retail. While the restaurants have continued to thrive overall, many believe the retail environment is in decline, despite recent additions in the northern section of the neighborhood.

## DEMOGRAPHIC PROFILE

### Population, Household and income trends

The population of Mount Vernon is diverse and relatively young. While the City's population is still declining overall, Mount Vernon's is increasing with an estimated population of 8,411 in 2012, having grown 16.88% since 1990.

Population	Mt Vernon	City of Baltimore
2017 Projection	8,719	601,274
2012 Estimate	8,411	615,500
2000 Census	7,388	651,154
1990 Census	6,321	736,014
Growth 2012-2017	3.66%	-2.31%
Growth 2000-2012	13.85%	-5.48%
Growth 1990-2000	16.88%	-11.53%

**Figure 2. Population Trends**

Source: 2012 The Nielsen Company (Claritas)

The population of Mount Vernon is dominated by those in their prime workforce years, particularly single professionals and couples without children. The largest age cohort in Mt. Vernon is the 25-34 age group, representing the much sought after "millennial generation".

The neighborhood itself is stable, with a mix of rowhomes, condos and apartments in a variety of building styles and types typical of an historic urban neighborhood. The neighborhood is a predominantly rental market, with 17% homeownership and 83% rental occupancy, compared to 51% owners and 49% renters citywide.

Mount Vernon is home to smaller households, where 71% of all households are single person households and 23% of households are made up of two adults. Only 5.3% of Mount Vernon households

include children under the age of 18, compared to 28.3% city-wide.

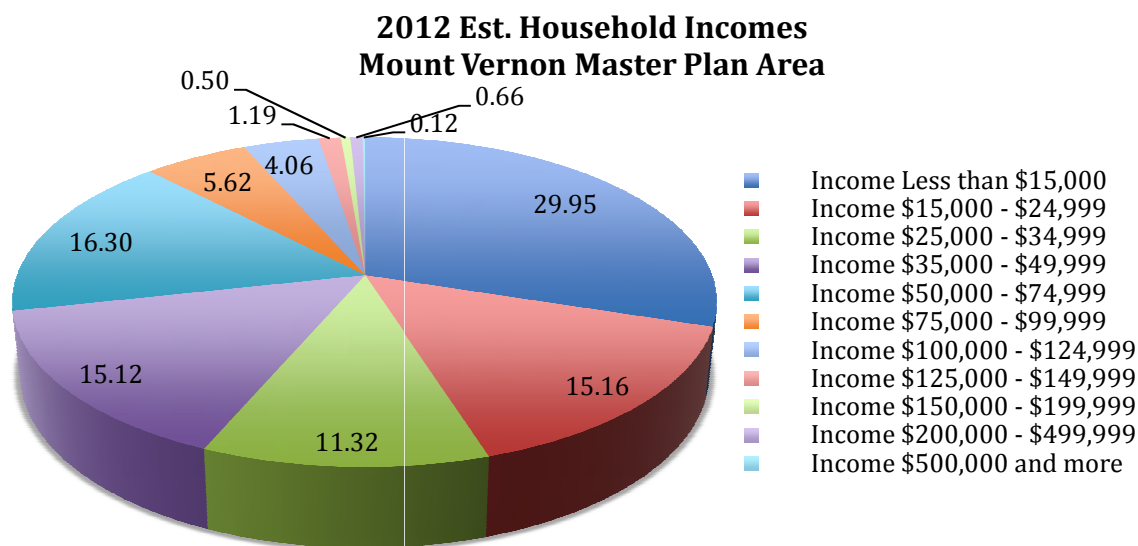
The dominance of single-person households in Mount Vernon could partially explain lower than expected household incomes. A



**Figure 3. Mt. Vernon Office Building at Charles & Read Streets**

comparison of the median household incomes in Mount Vernon with Baltimore as a whole indicates that incomes in Mount Vernon are 21% lower, with median incomes of \$29,321, and a city-wide median household income of \$37,179.

A comparison of per-capita income, however, shows the opposite. The per-capita income is \$27,369 in Mount Vernon, which is 28% higher than the citywide per capita income of \$21,446. While approximately 30% of households earn below \$15,000 per year, 28% of Mount Vernon's households earn \$50,000 or more (See Figure 4). By comparison, just 22% of households in Baltimore earn less than \$15,000 a year and 37% earn more than \$50,000 annually.



**Figure 4.**

Source: © 2012 The Nielsen Company (Claritas)

A relatively small percentage of higher-income households could prove to be a challenge in marketing the neighborhood to national retailers, who generally look for higher numbers of households earning \$50,000 and above. With the right marketing, however, the case could be made that even though just 28% of households in Mount Vernon earn above \$50,000, the large percentage of single adult households, and dual-income households without children, in the \$30-50,000 range would actually have more disposable income than the “typical” American household in the same income rang that include two adults and two children. It may be an opportunity, as well, to continue to build on the strength of Mount Vernon’s local and niche retailers who would support and benefit from the unique concentration of “creative class” workers in Mount Vernon.

The creative class theories and research of Richard Florida<sup>1</sup>, have demonstrated a strong correlation between communities that provide an open and tolerant atmosphere toward

<sup>1</sup> Florida, Richard (2002). *The Rise of the Creative Class: And How it's transforming work, leisure, community and everyday life*. New York: Perseus Book Group

diverse and culturally unconventional people, such as gays, artists, and musicians, and the numbers of creative class workers that live and move there. In turn, this creates an environment that encourages a concentration of firms that rely on creative class workers. Using Florida's definitions of the creative class, data shows that 48.5% of the employed residents of Mount Vernon over age 16 are members of the creative class (see Figure 5). This is significantly higher than the creative class that makes up just 34% of employed City residents.

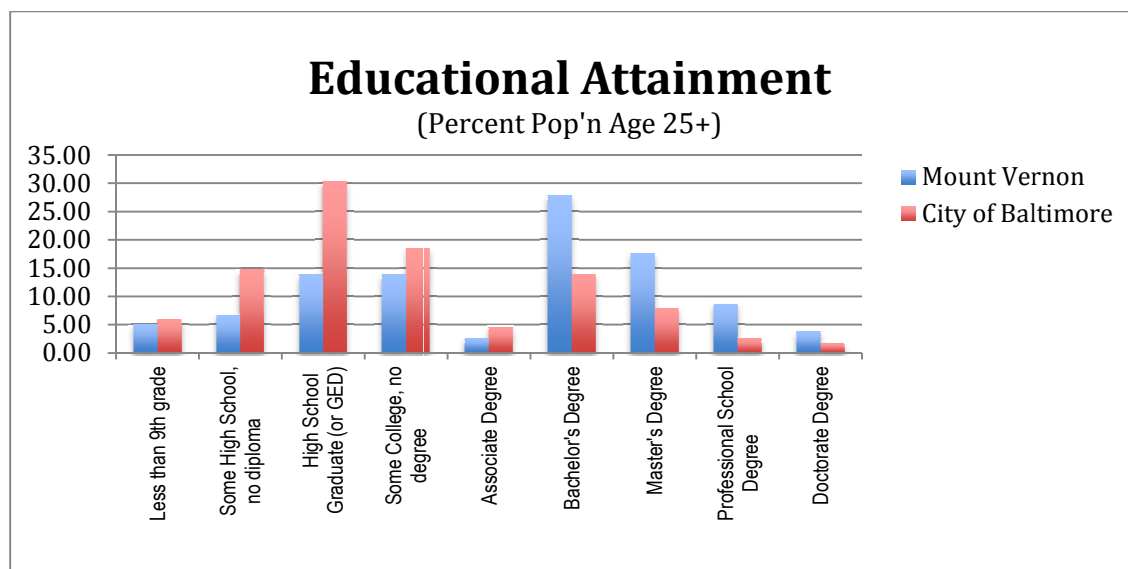
### Employed Civilians, Age 16+, By Occupation

	Mount Vernon		City of Baltimore	
2012 Estimates	#	%	#	%
<b>Total Employed, Age 16+</b>	4817		248,052	
Architecture & Engineering	202	4.19	4,199	1.69
Arts, Entertainment & Sports	283	5.88	6,003	2.42
Building & Grounds Maintenance	66	1.37	12,594	5.08
Business Services & Finance	233	4.84	11,314	4.56
Community & Social Services	143	2.97	6,642	2.68
Computer, Technology & Math	317	6.58	6,448	2.60
Construction & Resource Extraction	65	1.35	10,347	4.17
Education, Training, & Library Services	419	8.70	17,513	7.06
Farming, Fishing, & Forestry	1	0.02	140	0.06
Food Preparation & Service	284	5.90	13,322	5.37
Health Practitioner & Health Tech	343	7.12	15,041	6.06
Healthcare Support	54	1.12	9,074	3.66
Maintenance & Repair	14	0.29	4,033	1.63
Legal Services	149	3.09	4,136	1.67
Life, Physical & Social Sciences	101	2.10	3,838	1.55
Management	435	9.03	19,031	7.67
Office & Administrative Support	760	15.78	39,283	15.84
Production	84	1.74	9,228	3.72
Protective Services	84	1.74	10,302	4.15
Sales & Related Services	477	9.90	20,734	8.36
Personal Care & Related Services	152	3.16	8,913	3.59
Transportation & Moving	151	3.13	15,917	6.42
<b>Creative Class</b>	2333	48.43%	83387	33.62%

**Figure 5. 2012 Occupations & the Creative Class**

Source: 2012 The Nielsen Company (Claritas)

Despite mixed results on income, when it comes to educational attainment, Mount Vernon's population is more educated than that of the City as a whole. In the City of Baltimore, 51% of the population ages 25 and over have no college-level experience, while in Mount Vernon, over 60% have an Associates degree or higher. Mount Vernon has more than twice as many residents with a Bachelors or Masters degree than the City of Baltimore.



**Figure 6.**

Source: 2012 The Nielsen Company (Claritas)

Adding to the demographic strength of the neighborhood, Mount Vernon has a strong daytime population, which includes employees of neighborhood-based businesses and institutions, and students from the University of Baltimore and the Maryland Institute College of Art (MICA). Mount Vernon also benefits from the presence of regional institutions such as the Lyric Opera House, Meyerhoff Symphony Hall, Contemporary Museum, Walters Art Museum, Maryland Historical Society, and the main branch of the Enoch Pratt Free Library.

## COMMUNITY SURVEY RESULTS

In cooperation with the Mount Vernon Master Plan Steering Committee, a community survey was developed and distributed in June, 2012. The survey was distributed in hard copy and was promoted within the community via e-mail with an opportunity to fill out the survey online.

A total of 400 survey responses were collected. Of the survey respondents, 26.5% were residents, 24.8% were local employees, 28% were renters, 15% were students, 15% were Mount Vernon Belvedere Association members, 13.5% were neighborhood visitors, 9.5% were business owners, and 7% identified themselves as "other". Just over 54% of respondents were neighborhood residents, and 45.8% live outside of Mount Vernon.

The age of survey respondents closely mirrors the age demographics within the neighborhood itself. The highest age cohort to complete the survey were those between the ages of 25 and 34 at 36.6%, and the ages of 35 and 44 represented 19.5% of respondents (Figure 7).

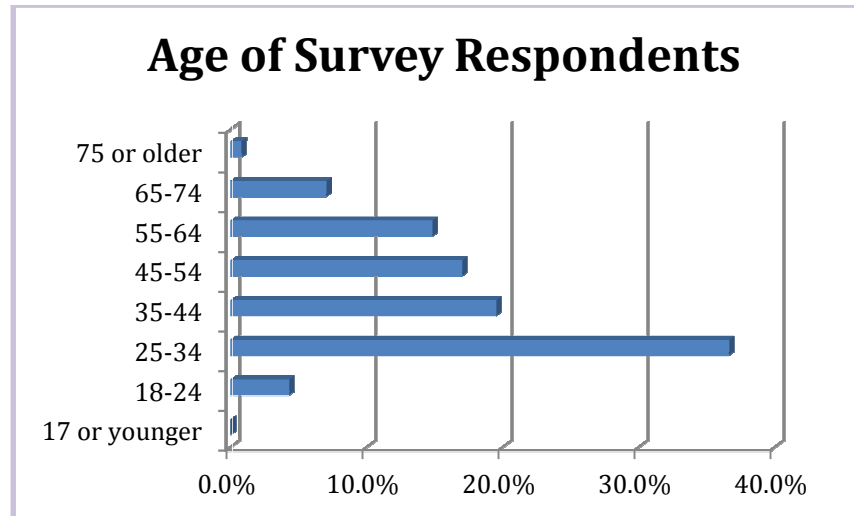


Figure 7.

When asked the question, “Do you shop at stores in Mount Vernon?” 79.6% responded yes, while 20.4% responded that they do not. When asked “Do you eat at restaurants in Mount Vernon, nearly 96% said that they do, while just over 4% do not. The survey therefore confirms the market data indicating that restaurants and bar/tavern offerings in Mount Vernon are indeed a market strength.

The strength and importance of retail and restaurant offerings is reinforced by the responses to the question, “When selecting a place to live, how important are the following factors?” with 83% of respondents indicating that restaurant and retail amenities were important or very important factors in their choice of a place to live (see Figure 8 below).

When selecting a place to live, how important are the following factors? Please rank each.

Answer Options	1 Very Important	2	3	4	5 Not at all important	Rating Average*	Response Count
Security/public safety	186	99	33	1	10	1.63	329
Cost	147	123	38	12	8	1.81	328
Restaurant and Retail Amenities	144	126	32	16	9	1.84	327
Biking/Transit/Walking/zipcar	170	75	45	23	11	1.86	324
Location - Proximity to work, school etc.	160	91	48	21	9	1.87	329
Cultural/Civic Amenities	130	124	53	12	7	1.90	326
Parks & Open Space	119	133	59	9	8	1.95	328
Architectural Character	133	115	50	20	10	1.96	328
House/Apartment Size	88	141	74	17	8	2.13	328
Diversity	95	96	96	20	18	2.29	325
Availability of Parking	123	74	52	33	45	2.40	327
Schools (k-12)	44	26	48	54	152	3.75	324
<b>answered question</b>							<b>330</b>
<b>skipped question</b>							<b>70</b>

\* A lower Rating Average indicates those factors that are more important, and those factors with higher rating averages were ranked less important.

Figure 8.

When asked the open ended question, “What is your favorite thing about Mt. Vernon,” the neighborhoods unique mix of restaurants, shops and businesses scored the second highest, with 29% of respondents. Mount Vernon’s architecture, culture and history came out on top at 32%, and walkability was third at 19%.

The survey also asked, “What is the one thing you would change about Mount Vernon?” 12.5 % of all respondents indicated a desire to make Mount Vernon more bike friendly, and another 12.5% would like to fix a number of parking related issues, including: adding parking, relaxing parking restrictions, increasing parking restrictions, developing empty parking lots, providing visitor parking passes to residential permit holders, and decreasing the cost of parking.

It is important to note that this was an open ended question, so people didn’t always name just one issue. Overall, however, the responses indicate that residents and visitors think more can be done to improve the neighborhood, and in turn the viability of neighborhood businesses, by improving parking (12.5%), improved public safety and police presence (11%), enhancing curb appeal and neighborhood cleanliness (10%), and improved retail options (10%).

When asked about improving the pedestrian experience in the neighborhood, 57.8% would add street trees and greening, 53% would like to see increased security and public safety, and 50% indicated that cleanliness would improve the pedestrian experience.

## How do you get around Mt Vernon?

*(Please check all that apply)*



**Figure 9.**

Again demonstrating that walkability and alternative forms of transportation are key strengths in the Mount Vernon area, 93% indicated that when in Mount Vernon they get around by walking (See Figure 9 above). When respondents leave Mount Vernon, 80% do so by car, but a large number of people also use transit, walking, bicycles and various forms of transit (See Figure 10 below).

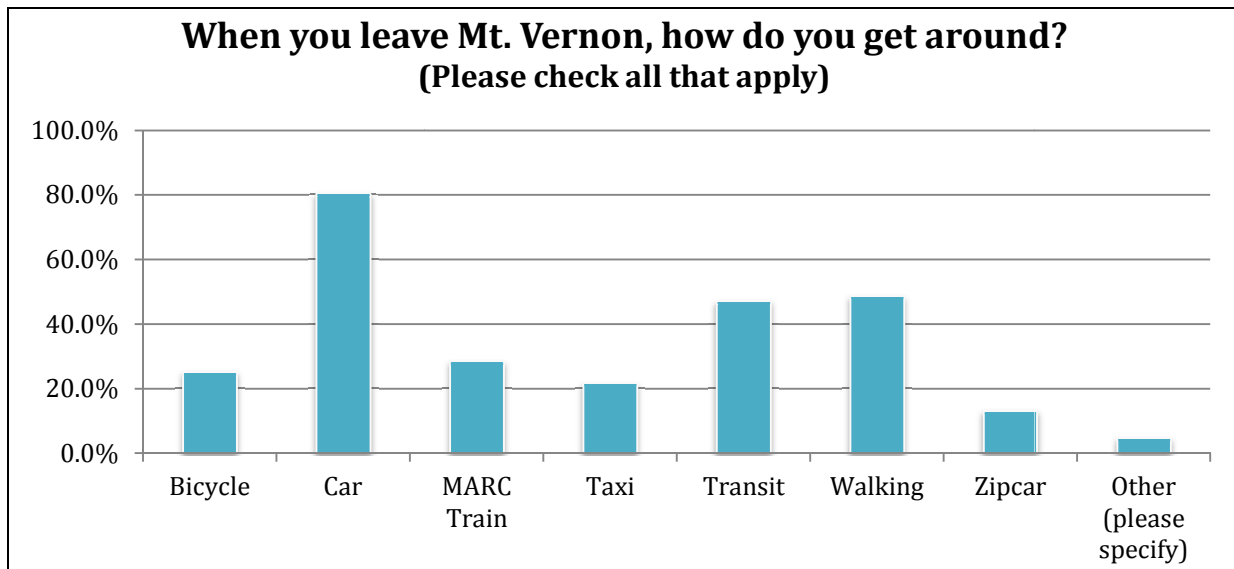


Figure 10.

## MARKET ANALYSIS

### Existing Retail Market

Mount Vernon's location and its history centers around the Washington Monument and historic Mount Vernon Square. The local retail offerings, however, are scattered throughout the neighborhood, with the largest concentrations along Charles Street. In addition to the community survey and data analysis, a field survey of existing retail and neighborhood activity was conducted in the market area to identify existing retail strengths and weaknesses, and to identify potential retail opportunities.

It is clear that Mount Vernon is rich in cultural attractions and regionally attractive restaurant and tavern offerings. Based on the survey, site visits and market data (See Figure 12 and Appendix B), it is also clear that Mount Vernon is a draw to outside consumers for dining out and a number of niche retail markets.

The concentration of restaurant and specialty retail are a strength that can be capitalized on, especially given the neighborhood's proven ability to attract young professionals between the ages of 25 and 34, and professionals between the ages of 35 and 54.

### Retail spending patterns

The overall health and vitality of the Mount Vernon commercial area is heavily influenced by how people spend their money and where they are spending it. Consumer spending patterns are therefore important when considering future strategies to take advantage of an area's strengths.

To simplify the analysis of consumer spending for this study, data was grouped into the specific types of businesses that people expect to see in urban neighborhood commercial districts.

While total spending by Mount Vernon residents is estimated at over \$187 million, local retail spending within the study area accounts for approximately \$136 million annually.

<b>2012 Consumer Spending Patterns Mount Vernon Study Area</b>			
<b>Annual Expenditures by Category</b>	<b>Total</b>	<b>Average Household</b>	
	<i>(Estimates)</i>	<i>(Estimates)</i>	<b>Index to USA</b>
<b>Groceries</b>	\$19,905,259	\$3,440	59
<b>Beer, Wine &amp; Liquor</b>	\$3,860,346	\$667	74
<b>Alcoholic Beverages at Bars &amp; Taverns</b>	\$770,805	\$133	98
<b>Restaurants</b>	\$13,882,571	\$2,399	82
<b>Furniture &amp; Home Décor</b>	\$7,821,367	\$1,352	53
<b>Health, Beauty, &amp; Personal Products &amp; Services</b>	\$15,535,186	\$2,685	53
<b>Specialty Retail<sup>2</sup></b>	\$21,049,704	\$3,638	57
<b>Clothing &amp; Accessories</b>	\$13,693,292	\$2,367	59
<b>Other</b>	\$90,915,852	\$15,713	N/A
<b>Total Specified Consumer Spending</b>	\$187,434,382	\$32,394	65

**Figure 11.** *Source: Baltimore City Dept of Planning from 2012 The Nielsen Co. (Claritas)*

The “Index to USA” (See Figure 11) is used to compare local spending to the spending patterns of the average American household. A score of 100 would indicate that Mount Vernon households spend the same as national households in that category. A number above 100 indicates higher than average spending and an index lower than 100 indicates spending lower than the national average. Based on this data, Mount Vernon households spend less on some goods, but are similar to the national average in their spending on food and alcohol at restaurants, bars and taverns.

It is important to note that simple comparisons between household spending in Mount Vernon, and those for households nationally show consumer spending nearly 50% below national averages. Lower than average consumer spending can be partially explained by the fact that household sizes in Mount Vernon are approximately 50% smaller, with a very high number of single-person households. A high number of small and single-person households translates to a likely concentration of single-income households. When national retailers look at prospective markets, household income is often the first thing they’ll consider. It will therefore be important to qualify and fully explain the intricacies of the Mt. Vernon consumer market when recruiting these retailers.

<sup>2</sup> Includes pet supplies, music, books, periodicals, hobbies, florists, stationery, gifts and other misc. retail

When making assumptions about future demand, it will also be important to be pretty conservative, when calculating demand based on the number of area households. For example, it would be logical to assert that a single-person household is likely to purchase approximately 50% less groceries, clothing, and other goods, as a two-person household. Given these assumptions, therefore, it may be helpful to note that Mt Vernon's per-person spending is relatively high, and is twice that of per-capita spending citywide in most categories (See Figure 12 below).

2012 Est. Per Capita Consumer Spending		
	Mt. Vernon	City of Baltimore
<b>Total Annual Per Capita Consumer Spending</b>	\$32,394.47	\$16,354
<b>Groceries</b>	\$3,440.25	\$1,931
<b>Beer, Wine &amp; Liquor</b>	\$667.19	\$281
<b>Alcoholic Beverages at Bars &amp; Taverns</b>	\$133.22	\$51
<b>Restaurants</b>	\$2,399.34	\$1,005
<b>Furniture &amp; Home Décor</b>	\$1,351.77	\$1,272
<b>Health, Beauty, &amp; Personal Products &amp; Services</b>	\$2,684.96	\$1,462
<b>Specialty Retail</b>	\$3,638.04	\$1,950
<b>Clothing &amp; Accessories</b>	\$2,366.62	\$1,402
<b>Other</b>	\$15,713.08	\$6,999

Source: Baltimore City Dept of Planning from 2012 The Nielsen Co. (Claritas)

**Figure 12. Per Capita Expenditures**

### Retail Opportunity Analysis

Using the same retail categories as the above analyses (Figures 11 and 12), sales data for businesses within the study area was compared to consumer spending. The difference between consumer retail spending and retail sales reveals potential opportunities and gaps that exist within the market. A gap, or positive number, represents economic "leakage" and provides evidence that opportunities for new businesses may exist. Negative numbers represent a surplus, and indicate that customers from outside of the study area are coming in to Mount Vernon to spend money on those types of retail goods and/or services.

### Potential Retail Opportunities

Based on the analysis of market data and the results of the survey, Mount Vernon's restaurant and retail offerings are relatively strong, and for the most part are meeting the needs of current residents, although there is always room for improvement. Given general rules of thumb, according to a model published by the Urban Land Institute (ULI), the estimated 5,800 households in Mount Vernon would support approximately 87,000 square feet of retail and restaurant offerings typically found in urban neighborhood commercial districts. Based on InfoUSA data indicating the existence of over 200 retail and food service establishments in Mount Vernon. If the model held true and Mount Vernon's 5,800 households translated to 15.1 sq. ft of retail each, that would equate to an average of only 435 sq ft for each existing

retail and restaurant establishment. Using the ULI model with local sales data, we conclude that existing retail square footage already exceeds that which the local market alone can support.

Retail Opportunities & Gaps for Mount Vernon Plan Area			
	2012 Demand	2012 Supply	Opportunity
Retail Stores	(Consumer Expenditures)	(Retail Sales)	Gap/Surplus
Groceries	\$17,082,908	\$8,705,707	\$8,377,201
Beer, Wine, Liquor	\$1,361,596	\$1,644,752	\$283,156
Health & Beauty	\$8,222,449	\$4,979,765	\$3,242,684
Restaurants	\$17,912,165	\$85,340,456	\$67,428,291
Bars	\$836,404	\$10,417,473	\$9,581,069
Clothing Accessories	\$6,184,383	\$5,610,568	\$573,815
Furniture and Home Décor	\$2,442,843	\$1,145,349	\$1,297,494
Hardware, Nursery & Garden	\$1,929,329	\$0	\$1,929,329
Specialty Retail <sup>3</sup>	\$6,601,142	\$6,266,530	\$334,612
Other <sup>4</sup>	\$74,302,718	\$21,473,225	\$52,829,493
<b>Total</b>	<b>\$136,875,937</b>	<b>\$145,583,825</b>	<b>\$8,707,888</b>

Source: Department of Planning and 2012 The Nielsen Co. (Claritas)

**Figure 13. Retail Opportunity-Gap Analysis**

In order to add new retail and maintain existing retail at a viable level, therefore, Mount Vernon and immediately adjacent neighborhoods will need to add additional households, and businesses and institutions must continue to market the neighborhood in an effort to attract additional customers from outside the study area. Given the strength of the Mount Vernon area, the existence of a high population of students, and a relatively high daytime population of workers (See Figure 14 below), a marketing program that maximizes existing consumer spending will improve the overall health and viability of neighborhood retail and ultimately provide opportunities for new retail investment.

<sup>3</sup> Includes music, books, periodicals, hobbies, florists, stationery, gifts and other misc. retail

<sup>4</sup> Includes General Merchandise (products normally purchased at large format department stores), automobiles and auto accessories, and building materials. These retailers are generally more regional in nature and are not expected in or conducive to walkable, neighborhood commercial districts.

Workplace and Employment Summary 2012			
Business Description	Establishments	Employees	Employees Per Establishment
Retail (All Retail)	170	1,815	11
Finance	134	1,116	8
Service	472	12,749	27
Public Administration	45	2,208	49
Agriculture	1	1	1
Mining	0	0	0
Construction	14	381	27
Manufacturing	25	358	14
Transportation, Communications & Utilities	14	79	6
Wholesale Trade	11	93	9
<b>TOTAL</b>	<b>886</b>	<b>18,800</b>	<b>21</b>

Figure 14. Employment in Mt. Vernon

Source: 2012 The Nielsen Co. (Claritas)

Encouraging retail businesses to remain open in the evenings could also help capture more customers from within the neighborhood, including residents, restaurant patrons and people attending special events at Mount Vernon's many cultural institutions. Restaurants do a bulk of their business in the evening hours (See Figure 15) and local cultural institutions often draw evening visitors to Mount Vernon for plays, concerts and other special events. Many local retail businesses, and even some restaurants, close between 5 and 6 pm. By doing so these businesses are missing the opportunity to attract additional customers and the business district is missing out on a potential critical mass of activity.

Restaurant Expenditures in Mount Vernon		
	2012 Est.	Est. Avg. Annual % Growth
<b>Total Restaurant Spending</b>	618,569,950	19.6%
<b>Lunch</b>	159,881,926	19.6%
<b>Dinner</b>	251,956,517	21.9%
<b>Breakfast and Brunch</b>	56,547,088	20.2%

Figure 15. Restaurant Spending in Mt. Vernon

Source: 2012 The Nielsen Co. (Claritas)

### Residential Development and Potential Impacts on the Retail Market

A review of development opportunities, and the work of the Mount Vernon Master Plan's Development Committee, demonstrates that there are development opportunities for new residential, office and limited retail on a number of undeveloped or currently underdeveloped sites throughout the neighborhood.

Based on a calculation of undeveloped land area and local zoning, a maximum build out of approximately 3,100 additional units is *possible* given current zoning code allowances and

height restrictions. More realistically, however, given market conditions and historic contexts, the addition of approximately 1,500-2,000 units is more realistic, if every undeveloped residential lot is built upon. In addition to land use calculations, the massing study completed by Cho Benn Holback & Associates, on behalf of the Mount Vernon Master Plan's development committee, provided conceptual plans for an additional 455 housing units, 63,800 sq ft of office, and 49,785 sq ft of retail on five key development sites.

Using the ULI model, which states that each household in a typical market area could support up to 15.1 square feet of neighborhood level retail, building 455 new housing units in Mt. Vernon could only support an additional 6,870 sq. ft. of retail. To support the amount of new retail proposed in the massing study, without marketing to attract customers from other areas, would require an additional 3,300 households. Full build-out of an estimated 3,072 new housing units, based on the land use and zoning calculations, would increase the number of area households by 47%, and would support approximately 46,000 sq. ft. of additional retail.

Considering these factors and current market conditions, a build-out of this magnitude may not be realistic. Using the more conservative estimate of 1,500-2,000 additional units, a market for approximately 22,750 sq. ft. of additional retail is supported.

It is important to note that the estimates discussed above may be aggressive given the predominance of single-income households in the Mount Vernon area, and median household incomes that are lower than the city, state, or region.

It is also true, however, that given the neighborhood's existing strengths as a regional destination, coupled with the presence of students whose reported incomes do not always reflect actual student spending power (due to unreported income support that typically comes from family members), additional retail may be possible. This is true only if retail is targeted to existing market demographics and clustered near existing activity centers that include regional cultural, retail and restaurant destinations.

### Field Survey

A brief field survey of existing retail and neighborhood activity was conducted in the market area to identify existing retail strengths and weaknesses, and potential opportunities. The field survey informed the recommendations for improving or changing the overall retail market in Mount Vernon.

Through a series of site visits and walk-through's, the field survey confirmed the realities of what the data and statistics showed about the neighborhood. The neighborhood contains strong clusters of specialty retail and restaurants in key locations throughout the area, including larger clusters on Charles, Read,



**Figure 16. New Retail on Charles Street with Residential Above**

Cathedral, and Howard Streets, with smaller clusters elsewhere.

Evidence of recent investment and business openings is also evident, but a variety of empty and “for lease” spaces were observed. The quality and price of the retail spaces throughout the neighborhood appear to vary greatly.

Based on observed proximity, much of the recent business investment activity is centered near the intersections of Charles and Biddle, and along Cathedral Street. It is also apparent that new businesses are locating close to areas where new housing units have been brought on-line, for example near the new condos at 1210 and 1209 Charles Street and the adaptive reuse of the Professional Arts Building on Cathedral. The Fitzgerald Apartments, although just outside the study area on Mount Royal, is another example of mixed use development that includes residential and retail.

Field observations also raised concerns about potential disparities, and the need for a delicate balance between encouraging and investing in spaces for small, locally owned specialty stores or restaurants and national chains. Whereas chains, by their nature prefer and can afford to lease newly constructed or renovated spaces, which can average above \$20.00 per square foot, most small independent businesses often can’t afford rents that high.

Issues related to the ratio between rents and potential sales will continue to be an issue that needs careful consideration when promoting changes to the retail mix – as the community weighs their desire for unique, local retail vs. a desire for some national chains. High or increasing retail rents are a challenge that many neighborhood commercial districts struggle with once they reach a level of success that begins to attract the attention of national retailers.



**Figure 17. Renovated Space for Lease on Charles Street**

The field survey also revealed a neighborhood strength that is not obvious from looking at data alone. Based on the field survey and a general review of local publications, Mount Vernon is an attractive and popular destination for the gay community. For example, Mount Vernon is home to the annual Baltimore Gay Pride parade and events. In addition, Visit Baltimore has started to promote Baltimore City as a gay-friendly place to live, work and play, and on their list of gay and lesbian bars and clubs, 8 of the 15 listed are located in the Mount Vernon master plan area. The strong presence and acceptance of the gay community is also visibly evident throughout the neighborhood, from the presence of rainbow flags to the number of gay publications available inside stores and restaurants. The gay community is also an important component of the Creative Class, as mentioned above.

## CONCLUSIONS AND RECOMMENDATIONS

As the market data, community survey, and field observations have revealed, Mount Vernon has all of the building blocks for a successful urban, mixed use neighborhood. With its proximity to downtown, historic urban architecture, strong retail and restaurant offerings, strong creative class demographics, strong daytime employee and student populations, and an increasing population base, Mount Vernon is well positioned for future growth.

As shown in the community survey, however, there is still room for improvement. The following section outlines some recommendations for strengthening the retail environment and building upon the neighborhoods existing strengths. The list of recommendations below is not a comprehensive set of strategies, because the larger Mount Vernon Master Plan process is focusing on the larger issues necessary to make Mount Vernon a better place overall. These recommendations instead focus on a few strategies that will positively impact the urban retail environment.

- 1. Organize for Action and Enhance Existing Resources** – Community leadership should form partnerships to utilize and enhance the existing resources of organizations such as the Midtown Special Benefits District and the Historic Charles Street Association, to employ techniques and best practices that have proven successful in other Business Improvement Districts (BID) and Main Street communities. This should include marketing and active “Place Management” to improve perceptions and realities of walkability, cleanliness, and safety in the community.

Mount Vernon already has a pretty good brand, one that is exemplified by the Live Baltimore descriptors of “artsy, hip, historic, quirky, and urban.” Efforts to improve and redevelop the neighborhood should celebrate these characteristics and promote Mount Vernon’s vibrancy, walkability and transportation alternatives. A Main Street style campaign or BID would help manage and promote a positive image for the area. An overview of the principles of the successful Main Street model is provided in Appendix D.

In addition to marketing and branding, community organizations should promote the use of existing programs to assist property owners and businesses. These include historic preservation tax credits, Neighborhood Business Works, Community Legacy, Main Streets, the Façade Improvement Program, and others. A summary of some of the programs offered by the Baltimore Development Corporation can be found in Appendix C.

- 2. Build on Strengths** – Mount Vernon is an attractive neighborhood for young professionals, empty nesters, and what Richard Florida refers to as the “creative class.” Mount Vernon needs to recognize these strengths and work to build on them. The types of people attracted to Mount Vernon want a vibrant, walkable, and diverse community. Future projects and strategies should be analyzed based on whether that project or proposal builds on these existing strengths.

One such strength to build upon is the idea that Mount Vernon is a great place to hang out, meet people and enjoy all the city has to offer. Improving public spaces, parks and street furniture adds to the livability of a neighborhood. All of these amenities help support community retail as well. Outdoor seating and “open” facades at restaurants and taverns should be encouraged throughout Mount Vernon. People love to be outside, to enjoy the fresh air, the view, or to simply watch the world go by. A key recommendation, therefore, is to work with the City of Baltimore to encourage and incentivize outdoor seating to enliven the street, adding to a sense of safety and giving commuters visual cues that encourage them to “stop and stay a while”.

The notion of “open” facades, creates the impression of outdoor seating at restaurants and taverns by opening up walls or large banks of windows to the outdoors, particularly where outdoor seating in the public right of way is not feasible because of space constraints. Working with property owners, businesses, and historic preservation guidelines, these types of façade treatments should also be encouraged and incentivized.



**Figure 18. Example of an open facade treatment – could be used as an alternative to outdoor seating where sidewalk space is limited.**

The value of indoor-outdoor seating is illustrated in the following quote

which was pulled from an online restaurant blog, “The best restaurant facades I’ve ever seen open up the wall, and the restaurant spills out onto the sidewalk. People are walking by, food is on the table, drinks are in hand, and as you’re walking past and seeing that, you think to yourself, ‘That looks like a good place to eat!’ ”

Outdoor seating, as mentioned, adds to the vitality of the neighborhood, encourages chance encounters between groups of people, and puts additional “eyes on the street” to improve public safety.

- 3. Add Customers** – One of the Urban Land Institute’s ten principles<sup>5</sup> for rebuilding neighborhood retail is “think residential,” because first and foremost, a neighborhood is a place where people live and successful urban retail depends upon a successful residential neighborhood. To improve the retail environment it may be necessary to improve and add

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<sup>5</sup> [Ten Principles for Rebuilding Neighborhood Retail](#), Michael D. Beyard, Michael Pawlukiewicz, Alex Bond, Urban Land Institute: 2003

residential density, both in Mount Vernon and in immediately adjacent neighborhoods. New residential development translates into new customers for businesses.

Additional residents also add to the safety and vitality of the neighborhood by adding activity or “eyes and feet on the street”. Residents walking their dogs, for example, can signal to restaurant patrons that it’s safe to walk around the neighborhood, and may encourage them to spend more time and money supporting nearby neighborhood businesses. When more visitors are walking around the neighborhood, residents may feel more comfortable sitting out on their front porch or walking up to the corner store. More people have the added benefit of making a place safer.

To bolster retail viability in Mount Vernon, the community should support and participate in the planning and redevelopment of areas surrounding Mount Vernon, including Station North, State Center and Downtown Baltimore. In addition, while Howard Street serves as the western boundary of the study area, its unique needs were not directly addressed in this market study. The Howard Street Revitalization Plan, conducted as part of the West Side Initiative in partnership with the Maryland Department of Transportation, already provides a blueprint for action that should be enhanced and implemented as part of Mount Vernon’s master planning efforts.

- 4. Create and Promote Clustering** – Businesses like to be around similar businesses that help drive visibility, foot traffic and healthy competition. Use new development opportunities to enhance existing retail offerings, and encourage the clustering of similar and complementary business in close proximity to one another.
- 5. Extend Day into Night** – The extension of evening hours for local businesses is another principle promoted by ULI and focuses on the concept that “longer hours equal stronger sales, and strong sales define a successful shopping street.” Mount Vernon should identify a way to work with local businesses to encourage standardization of business hours and extended evening hours. Consistent business hours are important because while neighborhood employees and students may populate the neighborhood during the day, restaurants tend to do a bulk of their business during the evening hours (see Figure 15 above). In addition, working residents may not often have the ability to shop between the hours of 9 am and 5 pm.

Businesses that close at 5 or 6 pm are missing out on the potential of “cross-shopping” from large numbers of potential customers, both residents and visitors to local restaurants and cultural venues. Businesses with inconsistent or unpredictable hours can inadvertently reduce the potential for repeat business and customer loyalty. If a customer tries to patronize a business that isn’t open, chances are they will think twice before making the effort to go there again. Suburban malls and shopping centers, for example, owe some of their success to standard operating hours, allowing for predictability and cross-shopping between diverse types of stores and destinations.

- 6. Alternative Transportation Options** – The diversity of transportation options (bikes, City Circulator, Zip Cars, cabs, buses, commuter rail, and light rail) which make it possible to live in or visit Mount Vernon without having to own a car, is an advantage that needs to be acknowledged, celebrated and enhanced. Collaborating with service providers and vendors such as Zip Car to improve and promote their services, will help attract new residents, as well as visitors.

In order to grow the customer base for existing Mount Vernon businesses and encourage the location of new retail opportunities, consider working with the Department of Transportation to change the south-bound route of the Charm City Circulator in Mount Vernon from St. Paul Street which is largely residential, to Maryland/Cathedral which has a higher concentration of small business clusters and cultural attractions. This route change will give visitors – the target market for the Charm City Circulator – better opportunities to see the great diversity of retail and restaurant options throughout the neighborhood. It could also result in strategically placed CCC stops adjacent to businesses and afford the opportunity for these businesses to draw people in while they're waiting for the circulator to arrive.

To improve overall transportation options, the Mt. Vernon community should also collaborate with local cab companies to enhance cab service in the neighborhood, particularly in areas with concentrations of cultural venues, restaurants and taverns. During site visits, it was noted that the visible presence of cabs was extremely limited. In a neighborhood with a high concentration of bars and restaurants, a good cab infrastructure is important for both bringing in customers, encouraging them to stay longer, and of course the public safety benefits of reducing drunk driving.

- 7. Promote and Celebrate Walkability** – Make it as safe and easy as possible for people to walk around the neighborhood, whether they live there, or are just visiting. To do this, it may be necessary to provide maps and create visual connections between existing business clusters, with clear, unified wayfinding signage.

To be truly walkable, a neighborhood must make people feel safe. Lighting is an effective way to give pedestrians a sense of security. Although recent streetscape improvements have improved lighting along the Charles Street corridor, the remainder of the neighborhood remains relatively dark by comparison. Future planning should include an upgrade of lighting throughout the neighborhood, and should include street and pedestrian oriented light fixtures, or a combination of the two.



**Figure 19. Figure 16. An example of a street light fixture with combined pedestrian-oriented lighting**

8. **Predictability and Parking** – Standardize on-street parking rules and minimize peak hour restrictions. Recognizing that a separate parking analysis is being performed, it is important to note that every popular neighborhood that includes a high number of restaurants and retail has a perceived lack of parking, and that is a good thing. It means that the quality of neighborhood attractions outweigh the ability to find free, quick and easy parking. Focus instead on creating parking signage, rules and restrictions that are consistent, clearly marked and easily located.
9. **Two-Way is Better than One** – Study the possibility of turning as many streets as possible from one-way to two-way streets. Retailers prefer to be located on two-way streets so that customers can arrive from any direction. Urban retailers also prefer streets that encourage traffic to move slowly, but efficiently, with parking on both sides. This maximizes opportunities for businesses to be seen by potential customers, simplifies the experience for destination customers, and maximizes the potential for customers to easily find a particular destination or business without having to navigate a complicated series of one-way streets.

## Appendix A. Consumer Spending Pattern Data

### Consumer Spending Patterns Mount Vernon Study Area

Annual Expenditures by Category	Total Spending		Average Household	
	2012	2017	2012	
	(Estimates in 1000s)	(Projection in 1000s)	(Estimates)	Index to USA
<b>Total Specified Consumer Expenditures</b>	\$187,434.38	\$205,018.57	\$32,394.47	65
<b>FOOD AT HOME</b>	\$19,905.26	\$21,490.27	\$3,440.25	59
Bakery Products	\$2,047.07	\$2,202.22	\$353.80	65
Cereal Products	\$930.27	\$998.19	\$160.78	59
Dairy Products	\$1,861.92	\$2,030.85	\$321.80	53
Fresh Milk and Cream	\$542.31	\$589.69	\$93.73	57
Other Dairy Products	\$1,075.78	\$1,181.79	\$185.93	49
Eggs	\$243.83	\$259.37	\$42.14	65
Fats and Oils	\$209.15	\$224.91	\$36.15	66
Fish and Seafood	\$621.24	\$662.56	\$107.37	75
Fruits and Vegetables	\$2,579.51	\$2,796.84	\$445.82	61
Juices	\$639.00	\$675.93	\$110.44	61
Meats (All)	\$3,854.45	\$4,120.87	\$666.17	59
Nonalcoholic Beverages	\$2,402.54	\$2,589.20	\$415.23	65
Prepared Foods	\$3,758.73	\$4,066.71	\$649.62	57
Sugar and Other Sweets	\$1,001.39	\$1,122.00	\$173.07	45
<b>FOOD AWAY FROM HOME &amp; ALCOHOL</b>				
Alcoholic Beverages	\$4,631.15	\$4,884.88	\$800.41	77
Alcoholic Beverages at Home	\$3,860.35	\$4,073.39	\$667.19	74
Alcoholic Beverages away from Home	\$770.81	\$811.49	\$133.22	98
Total Food away from Home	\$13,882.57	\$14,814.96	\$2,399.34	82
Lunch	\$3,499.72	\$3,709.73	\$604.86	81
Dinner	\$5,589.01	\$5,974.82	\$965.95	82
Breakfast and Brunch	\$1,257.39	\$1,340.69	\$217.32	88
<b>DAY CARE, EDUCATION &amp; CONTRIBUTIONS</b>				
All Day Care	\$308.95	\$360.84	\$53.40	16
Contributions (All)	\$8,940.64	\$9,405.08	\$1,545.22	107
Education	\$11,800.82	\$12,878.57	\$2,039.55	105
Room and Board	\$413.15	\$495.70	\$71.41	49
Tuition/School Supplies	\$11,387.67	\$12,382.87	\$1,968.14	110
<b>HEALTHCARE</b>				
Medical Services	\$8,391.70	\$9,697.36	\$1,450.34	66
Prescription Drugs	\$9,139.39	\$10,518.31	\$1,579.57	60
Medical Supplies	\$517.56	\$610.71	\$89.45	44

### Consumer Spending Patterns (Continued)

Annual Expenditures by Category	Total Spending		Average Household	
	2012	2017	2012	
	(Estimates in 1000s)	(Projection in 1000s)	(Estimates)	Index to USA
<b>HOUSEHOLD FURNISHINGS &amp; APPLIANCES</b>				
Total Furniture	\$2,123.77	\$2,372.56	\$367.05	54
Bedroom Furniture	\$662.66	\$740.60	\$114.53	64
Living/Dining Room Furniture	\$974.26	\$1,086.85	\$168.38	54
Other Furniture	\$461.60	\$518.12	\$79.78	43
Total Household Textiles	\$1,639.77	\$1,834.95	\$283.40	58
Domestic Textiles	\$1,435.99	\$1,605.91	\$248.18	64
Window and Furniture Covers	\$203.78	\$229.04	\$35.22	34
Major Appliances	\$728.06	\$811.96	\$125.83	51
Misc Household Equipment	\$1,352.72	\$1,519.61	\$233.79	49
Small Appliance/Houseware	\$1,977.05	\$2,215.10	\$341.70	55
<b>HOUSING RELATED &amp; PERSONAL</b>				
Total Housing Expenses	\$16,593.29	\$18,221.34	\$2,867.83	68
Fuels and Utilities	\$6,914.39	\$7,571.86	\$1,195.02	53
Telephone Service	\$5,409.31	\$5,839.66	\$934.90	85
Household Repairs	\$804.90	\$890.12	\$139.11	32
Household Services	\$2,189.50	\$2,348.22	\$378.41	68
Housekeeping Supplies	\$1,247.18	\$1,419.12	\$215.55	59
Personal Expenses and Services	\$7,129.28	\$7,720.79	\$1,232.16	75
<b>PERSONAL CARE &amp; SMOKING PRODUCTS</b>				
Personal Care Products and Services	\$4,514.10	\$4,983.04	\$780.18	75
Personal Care Services	\$1,800.33	\$1,952.78	\$311.15	70
Smoking Prods/Supplies	\$3,891.81	\$4,551.75	\$672.63	76
<b>PET EXPENSES</b>	\$1,759.77	\$2,021.56	\$304.14	53
<b>SPORTS &amp; ENTERTAINMENT</b>				
Photographic Equipment	\$300.09	\$403.09	\$51.86	50
Reading Materials	\$1,692.20	\$1,931.34	\$292.47	68
Sports and Recreation	\$4,024.69	\$4,818.40	\$695.59	46
Sports Equipment	\$2,295.79	\$2,824.60	\$396.78	47
Travel	\$5,664.30	\$6,197.98	\$978.97	47
TV, Radio and Sound Equipment	\$2,774.14	\$3,975.86	\$479.46	70
Computers, Software & Accessories	\$2,538.72	\$3,783.47	\$438.77	74
<b>TRANSPORTATION &amp; AUTO EXPENSES</b>				
Automotive Maintenance/Repair/Other	\$6,819.35	\$6,786.52	\$1,178.59	61
Gasoline	\$9,432.75	\$9,193.93	\$1,630.27	70
Diesel Fuel	\$57.64	\$54.67	\$9.96	52
Motor Oil	\$141.64	\$135.72	\$24.48	59
Vehicle Purchases & Leases	\$15,006.80	\$14,746.63	\$2,593.64	48
Boats and Recreational Vehicle Purchase	\$0.00	\$0.00	\$0.00	0
Rented Vehicles	\$1,042.39	\$1,038.10	\$180.16	90

### Consumer Spending Patterns (Continued)

Annual Expenditures by Category	Total Spending		Average Household	
	2012	2017	2012	
	(Estimates in 1000s)	(Projection in 1000s)	(Estimates)	Index to USA
<b>TOTAL APPAREL</b>	\$13,693.29	\$15,574.23	\$2,366.62	59
Women's Apparel	\$4,220.02	\$4,845.21	\$729.35	56
Men's Apparel	\$3,140.53	\$3,582.31	\$542.78	65
Girl's Apparel	\$496.78	\$581.52	\$85.86	30
Boy's Apparel	\$383.71	\$454.91	\$66.32	32
Infant's Apparel	\$285.94	\$330.62	\$49.42	44
Footwear (excl. Infants)	\$1,906.53	\$2,188.41	\$329.51	64
Other Apparel Prods/Services	\$3,259.80	\$3,591.25	\$563.39	77

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***The Fine Print about Market Data:*** Data is derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (CE Survey), which is fielded by the U.S. Bureau of Labor Statistics (BLS). The supply data is derived from the Census of Retail Trade (CRT) which is made available by the U.S. Census. The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified geography. When the demand is greater than (less than) the supply, there is an opportunity gap for that retail outlet. For example, a positive value signifies an opportunity gap, while a negative number value signifies a surplus. A surplus indicates that consumers are coming from outside areas to spend money within the specified geography and retail category.

## Appendix B. Data on Retail Market Opportunities and Gaps

Retail Opportunities and Gaps			
	2012 Demand	2012 Supply	Opportunity
Retail Stores	(Consumer Expenditures)	(Retail Sales)	Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	\$136,875,937.00	\$145,583,825.00	(\$8,707,888.00)
<b>Motor Vehicle and Parts Dealers-441</b>	\$19,047,042.00	\$466,215.00	\$18,580,827.00
Automotive Dealers-4411	\$17,014,590.00	\$466,215.00	\$16,548,375.00
Other Motor Vehicle Dealers-4412	\$213,588.00	\$0.00	\$213,588.00
Automotive Parts/Accsrs, Tire Stores-4413	\$1,818,864.00	\$0.00	\$1,818,864.00
<b>Furniture and Home Furnishings Stores-442</b>	\$2,442,843.00	\$1,145,349.00	\$1,297,494.00
Furniture Stores-4421	\$1,290,022.00	\$616,314.00	\$673,708.00
Home Furnishing Stores-4422	\$1,152,821.00	\$529,035.00	\$623,786.00
<b>Electronics and Appliance Stores-443</b>	\$3,281,629.00	\$0.00	\$3,281,629.00
Appliances, TVs, Electronics Stores-44311	\$2,414,056.00	\$0.00	\$2,414,056.00
Household Appliances Stores-443111	\$513,923.00	\$0.00	\$513,923.00
Radio, Television, Electronics Stores-443112	\$1,900,133.00	\$0.00	\$1,900,133.00
Computer and Software Stores-44312	\$747,750.00	\$0.00	\$747,750.00
Camera and Photographic Equipment Stores-44313	\$119,823.00	\$0.00	\$119,823.00
<b>Building Material, Garden Equip Stores -444</b>	\$10,775,766.00	\$1,020,159.00	\$9,755,607.00
Building Material and Supply Dealers-4441	\$9,811,102.00	\$1,020,159.00	\$8,790,943.00
Home Centers-44411	\$4,086,063.00	\$0.00	\$4,086,063.00
Paint and Wallpaper Stores-44412	\$228,296.00	\$0.00	\$228,296.00
Hardware Stores-44413	\$1,003,658.00	\$0.00	\$1,003,658.00
Other Building Materials Dealers-44419	\$4,493,085.00	\$1,020,159.00	\$3,472,926.00
Building Materials, Lumberyards-444191	\$2,088,277.00	\$398,883.00	\$1,689,394.00
Lawn, Garden Equipment, Supplies Stores-4442	\$964,664.00	\$0.00	\$964,664.00
Outdoor Power Equipment Stores-44421	\$38,993.00	\$0.00	\$38,993.00
Nursery and Garden Centers-44422	\$925,671.00	\$0.00	\$925,671.00
<b>Food and Beverage Stores-445</b>	\$18,444,504.00	\$10,350,459.00	\$8,094,045.00
Grocery Stores-4451	\$16,575,771.00	\$8,705,707.00	\$7,870,064.00
Supermarkets, Grocery (Ex Conv) Stores-44511	\$15,679,967.00	\$6,171,462.00	\$9,508,505.00
Convenience Stores-44512	\$895,804.00	\$2,534,245.00	(\$1,638,441.00)
Specialty Food Stores-4452	\$507,137.00	\$0.00	\$507,137.00
Beer, Wine and Liquor Stores-4453	\$1,361,596.00	\$1,644,752.00	(\$283,156.00)
<b>Health and Personal Care Stores-446</b>	\$8,222,449.00	\$4,979,765.00	\$3,242,684.00
Pharmacies and Drug Stores-44611	\$7,192,123.00	\$4,513,440.00	\$2,678,683.00
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$298,983.00	\$0.00	\$298,983.00
Optical Goods Stores-44613	\$200,011.00	\$104,400.00	\$95,611.00
Other Health and Personal Care Stores-44619	\$531,332.00	\$361,925.00	\$169,407.00
<b>Gasoline Stations-447</b>	\$14,941,051.00	\$3,199,310.00	\$11,741,741.00
Gasoline Stations With Conv Stores-44711	\$11,176,549.00	\$0.00	\$11,176,549.00
Other Gasoline Stations-44719	\$3,764,502.00	\$3,199,310.00	\$565,192.00

<b>Retail Opportunities and Gaps</b> <i>(Continued)</i>			
	<b>2012 Demand</b>	<b>2012 Supply</b>	<b>Opportunity</b>
<b>Retail Stores</b>	<b>(Consumer Expenditures)</b>	<b>(Retail Sales)</b>	<b>Gap/Surplus</b>
<b>Clothing and Clothing Accessories Stores-448</b>	\$6,184,383.00	\$5,610,568.00	\$573,815.00
Clothing Stores-4481	\$4,216,071.00	\$4,955,760.00	(\$739,689.00)
Men's Clothing Stores-44811	\$310,100.00	\$124,428.00	\$185,672.00
Women's Clothing Stores-44812	\$1,089,030.00	\$3,864,173.00	(\$2,775,143.00)
Childrens, Infants Clothing Stores-44813	\$152,803.00	\$344,187.00	(\$191,384.00)
Family Clothing Stores-44814	\$2,264,129.00	\$581,678.00	\$1,682,451.00
Clothing Accessories Stores-44815	\$106,981.00	\$0.00	\$106,981.00
Other Clothing Stores-44819	\$293,028.00	\$41,294.00	\$251,734.00
Shoe Stores-4482	\$941,157.00	\$554,945.00	\$386,212.00
Jewelry, Luggage, Leather Goods Stores-4483	\$1,027,155.00	\$99,863.00	\$927,292.00
Jewelry Stores-44831	\$950,623.00	\$99,863.00	\$850,760.00
Luggage and Leather Goods Stores-44832	\$76,532.00	\$0.00	\$76,532.00
<b>Sporting Goods, Hobby, Book, Music Stores-451</b>	\$2,686,811.00	\$2,538,014.00	\$148,797.00
Sporting Goods, Hobby, Musical Inst Stores-4511	\$1,606,254.00	\$196,665.00	\$1,409,589.00
Sporting Goods Stores-45111	\$705,681.00	\$0.00	\$705,681.00
Hobby, Toys and Games Stores-45112	\$589,384.00	\$29,983.00	\$559,401.00
Sew/Needlework/Piece Goods Stores-45113	\$131,814.00	\$151,637.00	(\$19,823.00)
Musical Instrument and Supplies Stores-45114	\$179,375.00	\$15,045.00	\$164,330.00
Book, Periodical and Music Stores-4512	\$1,080,557.00	\$2,341,349.00	(\$1,260,792.00)
Book Stores and News Dealers-45121	\$795,271.00	\$1,720,688.00	(\$925,417.00)
Book Stores-451211	\$760,771.00	\$831,199.00	(\$70,428.00)
News Dealers and Newsstands-451212	\$34,500.00	\$889,489.00	(\$854,989.00)
Prerecorded Tapes, CDs, Record Stores-45122	\$285,286.00	\$620,661.00	(\$335,375.00)
<b>General Merchandise Stores-452</b>	\$17,524,005.00	\$59,758.00	\$17,464,247.00
Department Stores Excl Leased Depts-4521	\$8,276,920.00	\$0.00	\$8,276,920.00
Other General Merchandise Stores-4529	\$9,247,085.00	\$59,758.00	\$9,187,327.00
<b>Miscellaneous Store Retailers-453</b>	\$3,794,508.00	\$3,728,516.00	\$65,992.00
Florists-4531	\$229,167.00	\$1,119,700.00	(\$890,533.00)
Office Supplies, Stationery, Gift Stores-4532	\$1,502,306.00	\$342,446.00	\$1,159,860.00
Office Supplies and Stationery Stores-45321	\$883,359.00	\$0.00	\$883,359.00
Gift, Novelty and Souvenir Stores-45322	\$618,947.00	\$342,446.00	\$276,501.00
Used Merchandise Stores-4533	\$308,182.00	\$1,399,706.00	(\$1,091,524.00)
Other Miscellaneous Store Retailers-4539	\$1,754,853.00	\$866,664.00	\$888,189.00
<b>Non-Store Retailers-454</b>	\$10,782,377.00	\$16,727,783.00	(\$5,945,406.00)
<b>Foodservice and Drinking Places-722</b>	\$18,748,569.00	\$95,757,929.00	(\$77,009,360.00)
Full-Service Restaurants-7221	\$8,580,923.00	\$22,649,943.00	(\$14,069,020.00)
Limited-Service Eating Places-7222	\$7,814,722.00	\$20,281,878.00	(\$12,467,156.00)
Special Foodservices-7223	\$1,516,520.00	\$42,408,635.00	(\$40,892,115.00)
Drinking Places -Alcoholic Beverages-7224	\$836,404.00	\$10,417,473.00	(\$9,581,069.00)

<b>Retail Opportunities and Gaps</b> <i>(continued)</i>			
	<b>2012 Demand</b>	<b>2012 Supply</b>	<b>Opportunity</b>
<b>Retail Stores</b>	<b>(Consumer Expenditures)</b>	<b>(Retail Sales)</b>	<b>Gap/Surplus</b>
<b>GAFO *</b>	\$33,621,977.00	\$9,696,135.00	\$23,925,842.00
General Merchandise Stores-452	\$17,524,005.00	\$59,758.00	\$17,464,247.00
Clothing and Clothing Accessories Stores-448	\$6,184,383.00	\$5,610,568.00	\$573,815.00
Furniture and Home Furnishings Stores-442	\$2,442,843.00	\$1,145,349.00	\$1,297,494.00
Electronics and Appliance Stores-443	\$3,281,629.00	\$0.00	\$3,281,629.00
Sporting Goods, Hobby, Book, Music Stores-451	\$2,686,811.00	\$2,538,014.00	\$148,797.00
Office Supplies, Stationery, Gift Stores-4532	\$1,502,306.00	\$342,446.00	\$1,159,860.00

\* GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in Total Retail Sales Including Eating and Drinking Places.

Nielsen' RMP data is derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (CE Survey), which is fielded by the U.S. Bureau of Labor Statistics (BLS). The supply data is derived from the Census of Retail Trade (CRT), which is made available by the U.S. Census. Additional data sources are incorporated to create both supply and demand estimates.

The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified reporting geography. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus) for that retail outlet. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

## Appendix C: Currently Available Resources

### Business Assistance Resources Available Through BDC

#### Enterprise Zone Income Tax Credits

These are one- or three-year credit for wages paid to new employees. The general credit is a one-time \$1,000 credit per new worker. For economically disadvantaged employees, the credit increases to a total of \$6,000 per worker distributed over three years. When located in a Focus Area, the general credit is a one-time \$1,500 credit per new worker.

#### Revolving Loan/Working Capital Loan Funds (RLF/WC and MILA/RLF)

Revolving Loan Funds may be used for acquisition and improvement of land, facilities and equipment, including renovation, demolition and site preparation and new construction. The funds may also be used for working capital with restrictions. The funds may not be used for relocation from a surplus area or investment activities and are not available to applicants with a current outstanding RLF loan, or to applicants who have received accumulated assistance from the RLF of \$150,000 within the previous five-year period.

**Eligible Businesses:** For-profit corporations, partnerships or proprietorships.

**Ineligible Businesses:** Financial institutions, consulting firms, real estate companies, not-for-profit businesses, developers, or unregulated media.

**Loan Limits:** Maximum of \$500,000 or 30-35% of project costs.

#### Shop Baltimore Loan Program

The purpose of the Shop Baltimore Loan Program is to promote attractive and healthy neighborhood retail districts by providing flexible gap financing in the form of below-market interest rate loans to eligible retail businesses located in designated commercial districts, Retail Business District License areas, and Main Street districts. Maximum \$100,000, not to exceed 50% of total project costs.

#### BDC Façade Improvement Grant (FIG)

The FIG program offers up to \$2,500 in matching grants and, in certain cases, design assistance to merchants and property owners in designated commercial revitalization districts in order to improve the appearance of individual building facades, signs and awnings, as well as the overall look of the retail district. Improvements must be to areas visible from the public way and are reviewed by the Community Review Board.

#### For More Information Contact:

Baltimore Development Corporation  
36 S. Charles Street, 1600  
Baltimore, MD 21201  
Phone: (410) 837-9305 Fax: (410) 837-6363  
[www.baltimoredevelopment.com](http://www.baltimoredevelopment.com)

## **Historic Preservation Tax Credits**

### **Federal Historic Preservation Tax Incentive (20% tax credit)**

The Federal historic preservation tax incentive program offers a 20% income tax credit to any project that is designated as a certified rehabilitation of a certified historic structure by the Secretary of Interior. The 20% credit is available for properties substantially rehabilitated for commercial, industrial, agricultural, or rental residential purposes, but it is not available for properties used for primary residences.

The Federal historic preservation tax incentive program is jointly administered by the U.S. Department of Interior and the Department of Treasury. The National Park Service acts on behalf of the Secretary of Interior, in partnership with the State Historic Preservation Officer in each State.

### **10% Federal Rehabilitation Tax Credit**

The 10% Federal rehabilitation tax credit applies only to non-historic, non-residential buildings built before 1936. The rehabilitation must be substantial and meet a specific physical test for retention of external walls and internal structural framework. There is no formal architectural review process for rehabilitations of non-historic buildings.

### **Maryland Rehabilitation Tax Credit**

The Heritage Preservation Tax Credit Program provides Maryland income tax credits equal to 20% of qualified rehabilitation expenditures for the substantial rehabilitation of a certified heritage structure. The credit is available for owner-occupied residential property as well as income-producing property. The rehabilitation must conform to the Secretary of Interior's Standards for Rehabilitation and must be certified by the Maryland Historical Trust. If the credit exceeds the taxpayer's tax liability, a refund may be claimed by the amount of the excess.

### **Baltimore City Property Tax Credit for Historic Restorations and Rehabilitations**

The Property Tax Credit for Historic Restorations and Rehabilitations is a 10 year, comprehensive tax credit program meant to encourage to rehabilitation of buildings in local and national historic districts, and designated Baltimore City and National Register Landmarks. Approximately 54,000 properties in Baltimore are eligible. The credit is granted on the increased assessment directly resulting from qualifying improvements. The assessment subject to the tax credit is computed once and used for the entire life of the credit. The credit is 100% for projects with construction costs less than \$3.5 million, and 80% for projects with construction costs more than \$3.5 million in the first five taxable years. The credit steps down by ten percentage points thereafter. This credit is available to both homeowners and businesses, and is fully transferrable to new owners for the life of the credit.

**For additional information contact:** Commission for Historical and Architectural Preservation  
City of Baltimore Department of Planning  
417 E. Fayette St. 8<sup>th</sup> Floor  
Baltimore, MD 21202  
(410) 396-PLAN  
[www.baltimorecity.gov/government/planning](http://www.baltimorecity.gov/government/planning)

## Appendix D: The Main Street Model

The Main Street model was developed by the **National Trust for Historic Preservation** in the 1970's. Their **National Main Street Center** now offers a comprehensive commercial district revitalization strategy that has been widely successful in towns and cities nationwide. The *Baltimore Main Streets* program utilizes this model locally, and is managed by the *Baltimore Development Corporation* (BDC).

The Main Street Approach is a community-driven, comprehensive method used to revitalize older, traditional business districts throughout the United States. The underlying premise of the Main Street approach is to encourage economic development within the context of historic preservation in ways appropriate to today's marketplace. The Main Street Approach advocates a return to community self-reliance, local empowerment, and the rebuilding of traditional commercial districts based on their unique assets: distinctive architecture, a pedestrian-friendly environment, personal service, local ownership, and a sense of community.

The Main Street Four-Point Approach™ is a comprehensive strategy that is tailored to meet local needs and opportunities. It encompasses work in four distinct areas — Design, Economic Restructuring, Promotion, and Organization — that are combined to address all of the commercial district's needs. The philosophy and the Eight Guiding Principles behind it form an effective tool for community-based, grassroots revitalization efforts. The Main Street approach has been successful in communities of all sizes, both rural and urban.

### The Main Street Four-Point Approach™ to commercial district revitalization

The Main Street approach is broken down into four points, which work together to build a sustainable and complete community revitalization effort. The four points are: Organization, Design, Promotion & Economic Restructuring. Each Main Street program generally forms four committees or working groups that correspond to each of the four points.

**Organization** involves getting everyone working toward the same goal and assembling the appropriate human and financial resources to implement a Main Street revitalization program. A governing board and standing committees make up the fundamental organizational structure of the volunteer-driven program. Volunteers are coordinated and supported by a paid program director as well. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.

**Promotion** sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing a district's unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.

**Design** means getting Main Street into top physical shape. Capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets — is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture,

signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging appropriate new construction, developing sensitive design management systems, and long-term planning.

**Economic Restructuring** strengthens a community's existing economic assets while expanding and diversifying its economic base. The Main Street program helps sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Converting unused or underused commercial space into economically productive property also helps boost the profitability of the district.

## Eight Guiding Principles of Main Street Success

The National Trust Main Street Center's experience in helping communities bring their commercial corridors back to life has shown time and time again that the Main Street Four-Point Approach succeeds. That success is guided by the following eight principles, which set the Main Street methodology apart from other redevelopment strategies. For a Main Street program to be successful, it must whole-heartedly embrace the following time-tested principles.

1. **Comprehensive:** A Main Street program should have no single focus — “one shots”, often lavish public improvements, name-brand business recruitment, or endless promotional events — can help revitalize Main Street. For successful, sustainable, long-term revitalization, however, a comprehensive approach, including activity in each of Main Street's Four Points, is *essential*.
2. **Incremental:** Baby steps come before walking; walking comes before running. Successful revitalization programs begin with basic, simple activities that demonstrate that “new things are happening” in the commercial district. As public confidence in the Main Street district grows and understanding of the revitalization process becomes more sophisticated, Main Street is able to tackle increasingly complex problems and more ambitious projects. This incremental activity leads to longer-lasting and dramatic positive changes in the Main Street area.
3. **Self-help:** No one else will save your Main Street. Local community leaders must have the will and the desire to mobilize local resources and talent. That means convincing residents and business owners of the rewards they'll reap by investing time and money in Main Street — the heart of their community. Only local leadership can produce long-term success by fostering and demonstrating community involvement and commitment to the revitalization effort.
4. **Partnerships:** Both the public and private sectors have a vital interest in the district and must work together to achieve common goals of Main Street's revitalization. Each sector has a role to play and each must understand the other's strengths and limitations in order to forge an effective partnership.
5. **Identifying and capitalizing on existing assets:** Business districts must capitalize on the assets that make them unique. Every district has unique qualities like distinctive buildings and human scale that give people a sense of belonging. These local assets must serve as the foundation for all aspects of the revitalization program.

6. **Quality:** Emphasize quality in every aspect of the revitalization program. This applies to all elements of the process — from storefront designs to promotional campaigns to educational programs. Shoestring budgets and "cut and paste" efforts reinforce a negative image of the commercial district. Instead, concentrate on quality projects over quantity.
7. **Change:** Changes in attitude and practice are slow but definite — public support for change will build as the Main Street program grows and consistently meets its goals. Skeptics turn into believers and attitudes on Main Street will turn around. At first, almost no one believes Main Street can really turn around. Change also means engaging in better business practices, altering ways of thinking, and improving the physical appearance of the commercial district. A carefully planned Main Street program will help shift public perceptions and practices to support and sustain the revitalization process.
8. **Implementation:** To succeed, Main Street must show visible results that can only come from completing projects. Frequent, visible changes are a reminder that the revitalization effort is under way and succeeding. Small projects at the beginning of the program pave the way for larger ones as the revitalization effort matures, and that constant revitalization activity creates confidence in the Main Street program and ever-greater levels of participation.

Source: The National Trust for Historic Preservation's National Main Street Center; For additional information go to their website at [www.mainstreet.org](http://www.mainstreet.org).



